

Oct. 21, 2025, 9 a.m.
Kalana O Maui Building

To: Maui County Council Committee on Budget, Finance and Economic Development

Yuki Lei Sugimura, Chair

Tasha Kama, Vice Chair

From: Grassroot Institute of Hawaii

Jonathan Helton, Policy Analyst

RE: RESOLUTIONS 25-193 AND 25-194, DESIGNATION OF ENTERPRISE ZONES ON THE ISLAND OF MAUI

Aloha Chair Sugimura, Vice Chair Kama and other members of the Committee,

The Grassroot Institute of Hawaii **supports** — and offers **amendments to** — [Resolution 25-193](#) and [Resolution 25-194](#), which would redraw the enterprise zone maps for the island of Maui.

These updated maps could help encourage economic diversification across the island, but the Council should also consider passing legislation to help all Maui businesses and not just the handful that might qualify for the enterprise zone program.

Generally, rules for the enterprise zone program are established by the state. Businesses in select industries as determined by the state can receive corporate income, unemployment insurance and general excise tax reductions if they participate in the program.

Counties have the authority to draw the borders of these zones, but the state establishes the criteria for which areas can be eligible for inclusion. Either the area must have unemployment levels 50% higher than the state average or 25% of the residents of the area must make less than 80% of the county median income.¹

There are currently two enterprise zones on Maui: the Greater Maui zone and the West Maui zone. Together, these zones cover most of the island, with parts of west and south Maui left out, presumably because when the zones were drawn in 2006 they did not qualify.

¹ [209E-2 Definitions.](#), Hawaii Revised Statutes, accessed Oct. 16, 2025.

Enterprise zones have a lifespan of 20 years, and the County must submit an application to the state for re-designation of any proposed zones.

These two resolutions would redraw the maps to create a Napili enterprise zone that would cover most of Napili and Kapalua, and a Greater Maui enterprise zone that would cover most of the rest of island, except for parts of Wailuku and Makawao and all the areas around Launiupoko and Olowalu.

It is regrettable that the state forces the counties to comply with its restrictions on how the map boundaries can be drawn, but Maui County does have the option to provide incentives beyond what the state offers.

The Greater Maui enterprise zone already offers priority building and land-use permit processing, waivers of building permit fees, and priority consideration for economic development grants to participating businesses.²

There are other incentives that the Committee could add. For example, the Molokai enterprise zone offers a three-year waiver of property taxes on any new construction by a qualified business.³

The Committee could consider adding that incentive for the Greater Maui and Napili zones — although it would be even better if this tax break were offered to all businesses in the county and not just those eligible to participate in the enterprise zone program.

The Committee could also include permitting-related incentives, such as allowing the Maui Department of Planning to administratively approve variance and rezoning requests or requiring that any building, electrical or plumbing permit application from an enterprise zone business be approved within 10 days or else be deemed automatically approved.

As for Lahaina, which is still struggling to recover from the destructive wildfires of August 2023, it will be included in the new boundaries of the Greater Maui zone. So if the Committee wanted to expand incentives beyond those offered to other businesses in the zone, it could create a Lahaina-specific enterprise zone with greater property tax relief and more permitting and land-use waivers.

Approving Resolution 25-194 could help foster greater economic diversification in Lahaina as the town's residents and businesses rebuild.

Thank you for the opportunity to testify.

Jonathan Helton
Policy Analyst
Grassroot Institute of Hawaii

² [Resolution 06-31](#), County of Maui, adopted April 7, 2006.

³ [Resolution 16-155](#), County of Maui, adopted Nov. 18, 2016.